



June 20, 2007

The Honorable Joe Lieberman, Chairman  
Committee on Homeland Security and Governmental Affairs  
United States Senate  
706 Hart Office Building  
Washington, DC 20510

The Honorable Susan Collins, Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate  
413 Dirksen Office Building  
Washington, DC 20510

Dear Senators:

On May 10, 2007, Chip Poncy, the Director of the Department of the Treasury's Office of Strategic Policy for Terrorist Financing and Financial Crimes, testified before the U.S. Senate Homeland Security and Governmental Affairs Committee. Throughout his testimony, Mr. Poncy characterized the Department of the Treasury's relationship with the charitable sector as "close" and claimed "extensive consultation" in issues relating to counter terrorism. As an example of "how this partnership can produce significant results," Mr. Poncy highlighted the ["U.S. Department of the Treasury Anti-Terrorist Financing Guidelines: Voluntary Best Practices for U.S.-Based Charities"](#) (Guidelines) and the ["Risk Matrix for the Charitable Sector"](#) (Risk Matrix). Grantmakers Without Borders, a philanthropic network of 130 organizations dedicated to providing humanitarian support to the developing world, strongly objects to Mr. Poncy's representation of the Department of the Treasury's relationship with the charitable sector.

When discussing the Guidelines and Risk Matrix, Mr. Poncy failed to note that many organizations working in the charitable sector are extremely dissatisfied with both of these tools and have called for their withdrawal. Mr. Poncy's neglect to mention this fact is not surprising since objections from the charitable sector to the Department of the Treasury's anti-terrorism policies have largely fallen on deaf ears. Attached are letters sent to the Department of the Treasury from Grantmakers Without Borders. To date, the Department of the Treasury has failed to respond.

This is not the only time the Department of the Treasury has been silent on these issues. For example, in November 2006, Grantmakers Without Borders joined with other charities to request a meeting with representatives from the Department of the Treasury to discuss the fate of \$13.7 million in frozen charitable funds. The Department of the Treasury has not returned any phone calls made in connection with this request. Furthermore, Grantmakers Without Borders and its

coalition partners recently opposed a Treasury Inspector General report that labeled U.S. charitable organizations as a significant source of terrorist funding. Again, the Department of the Treasury has not responded to this challenge or produced convincing data to prove its allegations.

The 130 partner organizations that make up Grantmakers Without Borders are dedicated to providing humanitarian support to the developing world. Members include private and public foundations, individual donors, and allies in philanthropy. With an unwavering commitment to the eradication of poverty and the promotion of social justice, Grantmakers Without Borders' member organizations often fund projects of hope and opportunity in vulnerable communities, thus acting as a counter-point to terrorist influences. Ironically, Treasury's anti-terrorism policies often chill the valuable work of international grantmakers, including Gw/oB's member organizations. Thus, philanthropic money that funds, for example, farming projects or support for tsunami victims is too often delayed or discontinued.

Grantmakers Without Borders would appreciate any opportunity to speak with you or your staff about this important issue. We also encourage you to include representatives from the charitable sector as witnesses in future hearings so that the Committee members get the full story. Our contact in Washington, D.C. is Vanessa Dick, Advocacy Coordinator, [vanessa@gwob.net](mailto:vanessa@gwob.net) or 240-988-2683.

Sincerely,



John Harvey  
Executive Director  
Grantmakers Without Borders

Attached:

[December 22, 2006 letter re: Department of Treasury Anti-Terrorist Financing Guidelines](#)  
[May 30, 2007 letter re: Risk Matrix for the Charitable Sector](#)  
[November 6, 2006 letter re: Frozen Charitable Funds](#)  
[June 8, 2007 letter re: TIGTA Report and Charities](#)